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Elder care options grow

More Hoosiers to qualify for Medicaid help with homelike services.

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SOUTH BEND - On July 1, you will no longer need to be dirt poor in Indiana before Medicaid will help pay for you to live in a homelike setting rather than a nursing home.

Somewhere like a foster home for adults, where just a few clients live in an actual home.

Or assisted living where you might have your own apartment.

Or adult day services where a caregiver headed for work can drop you off for a day of activities and meals and then take you home at night.

It's part of a major turn in state policy, one that Indiana Division of Aging Director Stephen A. Smith hopes will reverse a state "bias" in favor of nursing homes.

Indiana places its elderly in nursing homes at one of the highest rates in the nation. Medicaid pays for about 2,500 residents in Indiana nursing homes, compared with about 250 in alternatives, Smith said.

"That's terrible" Smith said Friday, explaining the news to staff and advocates for senior issues at the nonprofit REAL Services.

For now the state doesn't use its Medicaid waiver program to pay for adult foster care. It also doesn't pay for assisted living or adult day services unless your monthly income is about \$600 a month or less, he said.

But Medicaid pays for nursing home care if your income is about \$1,500 a month or less.

On July 1, Smith said, the income eligibility for all of those options will be \$1,500 per month.

Advocates for senior citizens are excited. But one tradeoff- and reason for

concern - is that services that provide in-home care via the state's CHOICE program will receive about 10 percent to 15 percent less in reimbursements, said Dawn Tyler, REAL services director of budget management and quality assurance.

REAL services has about 400 to 500 CHOICE clients in Elkhart, Kosciusko, laPorte, Marshall and St. Joseph counties Tyler said. About the same number use the Medicaid waiver for alternatives.

Demand for each program has created a to-to three-year waiting list, she said.

Why the drop in CHOICE payments? Smith said he wants to create less of an incentive for CHOICE since it is paid with only state Medicaid dollars.

Meanwhile, the other alternatives use Medicaid waiver dollars that draw 62 cents in federal money for every \$1 the state spends.

Smith said he'll review the reimbursements and consider changes once every quarter.

Human touch

Cary Steinkraus and his wife have owned an adult foster home in Mishawaka for 16 years. It's part of a handful of these homes in St. Joseph County, all paid for privately.

Steinkraus cares for four people each at two homes. Each resident has a bedroom and home-cooked meals at a cost of \$45 to \$50 per day. The residents' family members supervise the home intensely," Steinkraus said.

Options like this tend to be more humane and cheaper than the \$45,000 per year that it costs, on average, to keep a person in a nursing home.

Smith emphasized about his plan: "We're not doing any of this to balance the budget" In fact he said his budget, "will grow from \$1.65 billion this fiscal year to \$1.8 billion in the next," he said. The new year begins July 1.

Awareness needed

Smith whose experience is as a business executive and not in elder care, said his goal of moving 1,500 nursing home residents into alternatives in the first year will mean a "hard sales job."

He'll take it to hospitals and the public.

After all he said 70 percent of all referrals to Indiana nursing homes come from hospitals, while only 1.6 percent come from families.

Too many people don't understand their options when Mom or Dad suddenly loses the ability to live on her or his own, he said. Nursing homes automatically rush to mind.

The thought of alternatives, he said, "needs to be ubiquitous."

Smith said his division also will offer incentives to nursing homes to shut down a portion of their unused beds so they can offer alternative care, too.

The right balance

Smith said about 75 percent of his budget goes to nursing homes. Alternative care shares the other 25 percent with Medicaid staff salaries, Adult Protective Services and a state ombudsman's office.

The national average is 59 percent spending on nursing homes, 41 percent on alternatives, he said.

He and his boss, Family and Social Services Administration Secretary Mitch Roob, say they've yet to find the right balance.

"We want the market to be whatever people naturally pick to be the services," said John Cardwell, an advocate who worked with the Roob administration onto policy change. Cardwell long pushed state government for alternative care.

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